

## **Tier I Selection Overview**

Tier I selections include projects that require services that are anticipated to cost \$25,000 or more, but less than \$100,000. Selections can be made using a qualifications-based selection (QBS) process, a combination of QBS and low bid process, or just low bid process, depending upon the nature of the work to be performed. The vast majority of selections will be done using the QBS process.

In the newly revised selections process, many of the steps that were done in the former process are still done in the new process. For example, project managers still determine service needs, draft scopes, estimate costs, verify available funds, and work with contract administrators (CA) and/or selections specialists (SS) to complete their parts of the Tier I process.

An important change to the process for Tier I selections is that project managers now have some flexibility in determining or designating factors to be used for evaluating vendor proposals. In the past, vendors were scored on all established criteria, i.e., understanding of service, innovations, safety, past performance, etc. Each of these was identified on the score sheets used to evaluate each vendor. In the new process, there are only two required factors that need to be used to evaluate vendor proposals:

1. Qualifications of Team
2. Past Performance

Other factors that may be used include:

1. Understanding of Service
2. Innovations
3. Safety Program
4. Location of Service Personnel

These are optional and do not have to be considered for every Tier I selection. The decision about what factors should be used rests with the project manager. **Tier I vendor proposals are limited to a total of three pages.** Project managers should keep that in mind when considering what factors will be used, what information will be expected from vendors, and what vendors can reasonably be expected to provide in the limited number of proposal pages that they may submit. The Vendor Selection Task Force anticipates that the majority of the Tier I selections will be made using the two required factors. The Task Force anticipated that optional factors would only be allowed in unique and unusual circumstances, on an exception basis only.

The primary change to the Tier I selections process is that Selections Teams are no longer required to score every vendor proposal. Selections Teams are being asked to use the rating factors and determine which vendors submitting proposals are considered to be in a top band or top tier of equally highly qualified vendors. In the past, when individual

vendor scores were given, the majority of the selections resulted in at least a few of the vendors receiving higher scores than others, with the highest scores generally only a few points apart. An example of a previous selection, under the old process, might have looked like the following:

<u>Company Name</u>	<u>Score</u>
ABC, Inc.	128
BIG Co.	127
Smart Co., Inc.	126
New Co., Inc.	124
XYZ, Inc.	106
QQQ Co.	104
MMMM Inc.	102
DDD Inc.	99
JJJ Co.	90

In reviewing the scoring in this example, the top four firms scored significantly higher than the others, and were all relatively close in scores. There also is a fairly large gap between New Co., Inc., with a score of 124, and XYZ, Inc., with a score of 106. In this example, the top four firms would be considered to be in the top band or top tier. Because their scores are all so close, all are equally acceptable.

In the new process, the formal numerical scoring of proposals has been eliminated. Selections Teams will review proposals and apply relevant factors to determine which vendors (at least three) will be placed in the top band for that project.

Once that band of equally highly qualified vendors has been identified the Selections Team will be required to complete Pages 1 and 2 of the Central Selections Review Team Action Sheet (Form 5100E). On Page 1, all responding vendors who submitted proposals are listed. On Page 2, all vendors determined to be in the top band of equally acceptable qualified vendors are listed. Additionally, the Selections Team should provide a short narrative explaining why this group of vendors is considered to be more qualified than those not included in the top band. The narrative should refer to the evaluation factors and provide an overall summary for all the vendors describing why they were considered to be more highly qualified. Specific evaluations or narratives about individual vendors are not recommended.

Once the Selections Team completes their responsibilities, the project manager will send the package of information for each selection to the appropriate CA or SS. The CA/SS will review the process used and each selection package to verify that procedures have been followed by the Selections Teams. Once the CA/SS completes their review and is satisfied that the package is acceptable, it will be forwarded to the Central Selections Review Team (CSRT) for their review and processing.

The CSRT meets regularly on the second and fourth Wednesday of each month (and more often if necessary). The CSRT will review all selection packages received from the CA/SS. In reviewing the packages, the CSRT will consider all vendors included in the top bands for all proposed selections, and will make the final selection of the vendor for each project. Factors that the CSRT will use in making these decisions include the following for every vendor in the top band:

1. Year-to-Date Workload
2. Past Performance
3. Provisional Prequalification Ratings
4. Market Entry (new to a prequalification category or new to MDOT)

For each selection, the CSRT will provide a short narrative explaining why the CSRT chose each vendor for each selection, detailing how each vendor was determined to be the most highly qualified for each respective project.

Once the selections have been made by the CSRT, the selections package will be returned to the CA/SS for processing, and selections will be posted on the web. Project managers will be notified to proceed with price negotiations with the selected vendors.

**Note: Tier I selections are for services from \$25,000 to less than \$100,000. Tier I projects must not exceed \$100,000, because there may be a possibility that they would then jeopardize federal funding if they did not strictly follow selections requirements identified in the Brooks Act. If it is anticipated that a Tier I project may exceed \$100,000 because of contract modifications in the future, the Tier II selection process must be followed. All questions should be referred to each area's respective contract administrator.**

The Vendor Selections Task Force, the Department, and the consultant industry anticipate that with the changes to the Tier I selections process identified above, vendors will be required to do far less paperwork in preparing proposals, Selections Teams will spend significantly less time reviewing and evaluating vendor proposals, and the Department will continue to select the most highly qualified vendors for every project.